

Message Text

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70

ACTION EB-11

INFO OCT-01 ARA-16 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

PA-03 PRS-01 USIA-15 RSR-01 /145 W

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R 072055Z AUG 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 3162

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E. O. 11652: N/A

TAGS: EGEN, AR

SUBJ: CONSUMER PRICE INDEX-JULY

1. ACCORDING TO FIGURES RELEASED BY NATIONAL STATISTICAL INSTITUTE, GENERAL CONSUMER PRICE INDEX FOR JULY SHOWED NO SIGNIFICANT CHANGE FROM JUNE LEVELS. JULY COL ON THIS INDEX IS THUS 28.4 PERCENT OVER DECEMBER 1972 AND SHOWS 57 PERCENT INCREASE SINCE JULY 1972. (MAY TO MAY RATE WAS 78 PERCENT; JUNE TO JUNE, WAS 65 PERCENT.)

2. STEADINESS OF GENERAL INDEX WAS RESULT OF DECLINE IN FOOD PRICES OF NEARLY 3 PERCENT WHICH WERE EXACTLY OFFSET BY MODERATE INCREASES OF OTHER COMPONENTS OF INDEX. DECLINE IN FOOD PRICES WAS BROUGHT ABOUT BY FURTHER GOVERNMENT ORDERED ROLLBACK OF PRICES OF ADDITIONAL BASIC PRODUCTS IN FAMILY MARKET BASKET. (ALL DATA ABOVE ARE UNCLASSIFIED.)

3. INITIAL DECLINE AND PRESENT STEADINESS OF COST OF LIVING INDEX MARKS CONSIDERABLE SUCCESS TO DATE OF GOA'S NEW PRICE POLICY. IT IS HELPFUL TO GOVERNMENT IN MAINTAINING CREDIBILITY WITH IMPORTANT SUPPORTER GROUPS AMONG YOUTH AND LABOR AND ALLOWS GOVERNMENT SOME FLEXIBILITY IN PURSUING OTHER PORTIONS OF ANTI-LIMITED OFFICIAL USE

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INFLATIONARY AND REDISTRIBUTION OF INCOMES POLICY. THE SHOCK

TREATMENT OF THE GOVERNMENTS PRICE CONTROLS IS NOW BEGINNING TO WEAR OFF SOMEWHAT WITH SEVERAL INDUSTRIES NOTING DECLINES IN INVENTORY BUILDING THAT ARE BACKING UP INTO LESS DEMAND UPON PRODUCTION UNITS. THESE HAVE GIVEN RISE TO SOME FEARS OF A RECESSION IN ECONOMIC ACTIVITY AND CRITICISM OF THE GOVERNMENT'S POLICY ARE BEGINNING TO INCREASE. WHILE SOME SHORTAGES ARE BEING REPORTED, THESE DO NOT YET APPEAR TO BE WIDESPREAD NOR ARE THERE SIGNIFICANT SIGNS OF BLACK MARKET ACTIVITY. GOA IS ANNOUNCING PLANS FOR LARGE SCALE HOUSING CONSTRUCTION, FOR ADDITIONAL PROMOTION OF EXPORTS AND APPEARS TO BE TRUSTING TO THE IMPETUS WHICH THESE MAY GIVE TO THE ECONOMY FOR AVOIDING ANY SERIOUS RECESSION.KREBS

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Message Attributes

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Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 07 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
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Handling Restrictions: n/a
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EO Systematic Review
30 JUN 2005

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